THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) No, Sir.

(b) and (c) Do not arise.

Amendments in the Recovery of Debts Due to Banks and Financial Institutions, Act, 1993

504. SHRI: ABANI ROY: Will the Minister of FINANCE be pleased to srate:

(a) whether Vhe Supreme Court has directed the Government to issue an Ordinance amending the Recovery of Debts Due to Banks and Financial rmnitutions Act, 1993;

(b) if so, whether Government have taken any further action on the basis of directives of the- Supreme Court;

(c) if so, the details thereof; and

(d) the details of more powers given to the Debt Recovery Tribunals for easy recovery of debts?

THE MINISTEP: OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) (a) to (d) In the matter of Delhi High Court Bar Association *Vs.* Union of India the Delhi High Court vide its order dated 10.3.1995 had declared the Recovery of Debts due to Banks and Financial Institutions Act, 1993 (DRT Act) as unconstitutional! and void *inter alia* on the grounds that the Act does not contain provisivon for set off, counter claim or transfer of cases from one tribunal to another. Government filed an SLP in the

Supreme Court and the Supreme Court stayed the operation of the order of Delhi High Court. During various bearings of the case before the Supreme Court one major observation made by the court pertained to carry out necessary amendments to DRT Act. Reserve Bank of India also set up a Working Group to suggest changes in the Act to make it more effective. Based on observations of the Supreme Court, recommendations made by RBI Working Group, Rajya Sabha Committee on Subordinate Legislation the Act has been amended suitably through an Ordinance dated 17.1.2000. Some of these amendments are as under:—

(1) set-off and counter-claims, appointment of Receivers and Cpmmissioncrs by the Tribunal, transfer of cases from one Tribunal. to another and appointment of more than one Recovery Officer in a Tribunal;

(2) empowering the Tribunals to issue certificate for recovery of enhanced or reduced amount on the basis of the final order of the Appellate Tribunal;

(3) empowering the Chairperson of the Appellate Tribunal to appraise the work of Presiding Officers of Tribunals and discharge functions of the Chairperson of another Appellate Tribunal;

(4) the transfer of recovery certificate from one Tribunal to another Tribunal to facilitate recovery;

(5) empowering the Tribunals to distribute sale proceeds among the secured creditors in accordance with the provisions of section 529A of Companies Act.